

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2350
ANSWERED ON:23.07.2004
STRUCTURAL ADJUSTMENT LOAN
Adhalrao Patil Shri Shivaji

Will the Minister of FINANCE be pleased to state:

- (a) whether some State Governments have requested the Union Government for one time grant of soft loan and forwarded their Structural Adjustment Loans (SAL) to the World Bank to help them to overcome the current financial crisis;
- (b) if so, the extent of one time grant and SAL sought by Maharashtra and other States; and
- (c) the response of the Union government thereto?

Answer

MINISTER OF STATE FOR REVENUE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM)

(a) Yes, Sir.

(b) The extent of Structural Adjustment Loan (SAL) assistance sought by the Maharashtra and other States from the World Bank is given in the table below:

Name of State	Amount (in US \$ Million)
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Andhra Pradesh	500
Karnataka	500
Maharashtra	750
Orissa	600
Punjab	800
Rajasthan	2150
Uttar Pradesh	500
Tamil Nadu	600

(c) SAL Assistance amounting to US \$ 500 million, US \$ 250 million and US \$ 250 million has been provided to Andhra Pradesh, Karnataka and Uttar Pradesh, respectively. Maharashtra, Punjab and Rajasthan are not eligible to receive the SAL assistance because of their non compliance with Medium Term Fiscal Reforms Programme (MTFRP). Tamil Nadu has not been provided with SAL assistance for failure on its part to undertake agreed reforms. For Orissa, the World Bank has appraised the SAL proposal.